



General Assembly

January Session, 2015

Governor's Bill No. 6841

LCO No. 3975



Referred to Committee on FINANCE, REVENUE AND
BONDING

Introduced by:

REP. SHARKEY, 88th Dist.

REP. ARESIMOWICZ, 30th Dist.

SEN. LOONEY, 11th Dist.

SEN. DUFF, 25th Dist.

**AN ACT CONCERNING A MUNICIPAL OPTION REGARDING TAX
RELIEF FOR CERTAIN ELDERLY OR TOTALLY DISABLED
HOMEOWNERS.**

Be it enacted by the Senate and House of Representatives in General
Assembly convened:

1 Section 1. Section 12-170aa of the general statutes is repealed and
2 the following is substituted in lieu thereof (*Effective July 1, 2015*):

3 (a) There is established, for the assessment year commencing
4 October 1, 1985, and each assessment year thereafter, a revised state
5 program of property tax relief for certain elderly homeowners as
6 determined in accordance with subsection (b) of this section, and
7 additionally for the assessment year commencing October 1, 1986, and
8 each assessment year thereafter, the property tax relief benefits of such
9 program are made available to certain homeowners who are
10 permanently and totally disabled as determined in accordance with

11 said subsection (b) of this section.

12 (b) (1) The program established by this section shall provide for a
13 reduction in property tax, except in the case of benefits payable as a
14 grant under certain circumstances in accordance with provisions in
15 subsection [(j)] (k) of this section, applicable to the assessed value of
16 certain real property, determined in accordance with subsection (c) of
17 this section, for any owner of real property, or any tenant for life or
18 tenant for a term of years liable for property tax under section 12-48, or
19 any resident of a multiple-dwelling complex under certain contractual
20 conditions as provided in said subsection [(j)] (k) of this section, who
21 (A) at the close of the preceding calendar year has attained age sixty-
22 five or over, or whose spouse domiciled with such homeowner, has
23 attained age sixty-five or over at the close of the preceding calendar
24 year, or is fifty years of age or over and the surviving spouse of a
25 homeowner who at the time of his death had qualified and was
26 entitled to tax relief under this section, provided such spouse was
27 domiciled with such homeowner at the time of his death or (B) at the
28 close of the preceding calendar year has not attained age sixty-five and
29 is eligible in accordance with applicable federal regulations to receive
30 permanent total disability benefits under Social Security, or has not
31 been engaged in employment covered by Social Security and
32 accordingly has not qualified for benefits thereunder but who has
33 become qualified for permanent total disability benefits under any
34 federal, state or local government retirement or disability plan,
35 including the Railroad Retirement Act and any government-related
36 teacher's retirement plan, determined by the Secretary of the Office of
37 Policy and Management to contain requirements in respect to
38 qualification for such permanent total disability benefits which are
39 comparable to such requirements under Social Security; and in
40 addition to qualification under (A) or (B) above, whose taxable and
41 nontaxable income, the total of which shall hereinafter be called
42 "qualifying income", in the tax year of such homeowner ending
43 immediately preceding the date of application for benefits under the

44 program in this section, was not in excess of sixteen thousand two
45 hundred dollars, if unmarried, or twenty thousand dollars, jointly with
46 spouse if married, subject to adjustments in accordance with
47 subdivision (2) of this subsection, evidence of which income shall be
48 required in the form of a signed affidavit to be submitted to the
49 assessor in the municipality in which application for benefits under
50 this section is filed. The amount of any Medicaid payments made on
51 behalf of such homeowner or the spouse of such homeowner shall not
52 constitute income. The amount of tax reduction provided under this
53 section, determined in accordance with and subject to the variable
54 factors in the schedule of amounts of tax reduction in subsection (c) of
55 this section, shall be allowed only with respect to a residential
56 dwelling owned by such qualified homeowner and used as such
57 homeowner's primary place of residence. If title to real property or a
58 tenancy interest liable for real property taxes is recorded in the name
59 of such qualified homeowner or his spouse making a claim and
60 qualifying under this section and any other person or persons, the
61 claimant hereunder shall be entitled to pay his fractional share of the
62 tax on such property calculated in accordance with the provisions of
63 this section, and such other person or persons shall pay his or their
64 fractional share of the tax without regard for the provisions of this
65 section, unless also qualified hereunder. For the purposes of this
66 section, a "mobile manufactured home", as defined in section 12-63a, or
67 a dwelling on leased land, including but not limited to a modular
68 home, shall be deemed to be real property and the word "taxes" shall
69 not include special assessments, interest and lien fees.

70 (2) The amounts of qualifying income as provided in this section
71 shall be adjusted annually in a uniform manner to reflect the annual
72 inflation adjustment in Social Security income, with each such
73 adjustment of qualifying income determined to the nearest one
74 hundred dollars. Each such adjustment of qualifying income shall be
75 prepared by the Secretary of the Office of Policy and Management in
76 relation to the annual inflation adjustment in Social Security, if any,

77 becoming effective at any time during the twelve-month period
 78 immediately preceding the first day of October each year and the
 79 amount of such adjustment shall be distributed to the assessors in each
 80 municipality not later than the thirty-first day of December next
 81 following.

82 (3) For purposes of determining qualifying income under
 83 subdivision (1) of this subsection with respect to a married homeowner
 84 who submits an application for tax reduction in accordance with this
 85 section, the Social Security income of the spouse of such homeowner
 86 shall not be included in the qualifying income of such homeowner, for
 87 purposes of determining eligibility for benefits under this section, if
 88 such spouse is a resident of a health care or nursing home facility in
 89 this state receiving payment related to such spouse under the Title XIX
 90 Medicaid program. An applicant who is legally separated pursuant to
 91 the provisions of section 46b-40, as of the thirty-first day of December
 92 preceding the date on which such person files an application for a
 93 grant in accordance with subsection (a) of this section, may apply as an
 94 unmarried person and shall be regarded as such for purposes of
 95 determining qualifying income under said subsection.

96 (c) The amount of reduction in property tax provided under this
 97 section shall, subject to the provisions of [subsection] subsections (d)
 98 and (e) of this section, be determined in accordance with the following
 99 schedule:

T1	Qualifying Income		Tax Reduction		
T2			As Percentage	Tax Reduction	
T3	Over	Not Exceeding	Of Property Tax	For Any Year	
T4					
T5	Married Homeowners			Maximum	Minimum
T6	\$ 0	\$11,700	50%	\$1,250	\$400
T7	11,700	15,900	40	1,000	350
T8	15,900	19,700	30	750	250

T9	19,700	23,600	20	500	150
T10	23,600	28,900	10	250	150
T11	28,900		None		
T12	Unmarried Homeowners				
T13	\$ 0	\$11,700	40%	\$1,000	\$350
T14	11,700	15,900	30	750	250
T15	15,900	19,700	20	500	150
T16	19,700	23,600	10	250	150
T17	23,600		None		

100 (d) The legislative body of a municipality may, by ordinance, adjust
101 the tax reduction available pursuant to this section by increasing the
102 qualifying income threshold, tax reduction, or both, as specified in the
103 schedule in subsection (c) of this section, by twenty-five per cent more
104 than the latest adjustment of qualifying income prepared by the
105 Secretary of the Office of Policy and Management pursuant to
106 subdivision (2) of subsection (b) of this section. A municipality that
107 adjusts the tax deduction pursuant to this subsection shall notify said
108 secretary, in writing, of such adjustment.

109 ~~[(d)]~~ (e) Any homeowner qualified for tax reduction in accordance
110 with subsection (b) of this section in an amount to be determined
111 under subsection (d) of this section or the schedule of such tax
112 reduction in subsection (c) of this section, shall in no event receive less
113 in tax reduction than the minimum amount of such reduction
114 applicable to the qualifying income of such homeowner according to
115 subsection (d) of this section or the schedule in said subsection (c).

116 ~~[(e)]~~ (f) Any claim for tax reduction under this section shall be
117 submitted for approval, on the application form prepared for such
118 purpose by the Secretary of the Office of Policy and Management, in
119 the first year claim for such tax relief is filed and biennially thereafter.
120 The amount of tax reduction approved shall be applied to the real

121 property tax payable by the homeowner for the assessment year in
122 which such application is submitted and approved. If any such
123 homeowner has qualified for tax reduction under this section, the tax
124 reduction determined shall, when possible, be applied and prorated
125 uniformly over the number of installments in which the real property
126 tax is due and payable to the municipality in which he resides. In the
127 case of any homeowner who is eligible for tax reduction under this
128 section as a result of increases in qualifying income, effective with
129 respect to the assessment year commencing October 1, 1987, under the
130 schedule of qualifying income and tax reduction in subsection (c) of
131 this section, exclusive of any such increases related to social security
132 adjustments in accordance with subsection (b) of this section, the total
133 amount of tax reduction to which such homeowner is entitled shall be
134 credited and uniformly prorated against property tax installment
135 payments applicable to such homeowner's residence which become
136 due after such homeowner's application for tax reduction under this
137 section is accepted. In the event that a homeowner has paid in full the
138 amount of property tax applicable to such homeowner's residence,
139 regardless of whether the municipality requires the payment of
140 property taxes in one or more installments, such municipality shall
141 make payment to such homeowner in the amount of the tax reduction
142 allowed. The municipality shall be reimbursed for the amount of such
143 payment in accordance with subsection [(g)] (h) of this section. In
144 respect to such application required biennially after the filing and
145 approval for the first year, the tax assessor in each municipality shall
146 notify each such homeowner concerning application requirements by
147 regular mail not later than February first, annually enclosing a copy of
148 the required application form. Such homeowner may submit such
149 application to the assessor by mail provided it is received by the
150 assessor not later than March fifteenth in the assessment year with
151 respect to which such tax reduction is claimed. Not later than April
152 first of such year the assessor shall notify, by certified mail, any such
153 homeowner for whom such application was not received by said
154 March fifteenth concerning application requirements and such

155 homeowner shall be required not later than May fifteenth to submit
156 such application personally or, for reasonable cause, by a person acting
157 on behalf of such taxpayer as approved by the assessor. In the year
158 immediately following any year in which such homeowner has
159 submitted application and qualified for tax reduction in accordance
160 with this section, such homeowner shall be presumed, without filing
161 application therefor, to be qualified for tax reduction in accordance
162 with the schedule in subsection (c) of this section in the same
163 percentage of property tax as allowed in the year immediately
164 preceding. If any homeowner has qualified and received tax reduction
165 under this section and subsequently in any calendar year has
166 qualifying income in excess of the maximum described in this section,
167 such homeowner shall notify the tax assessor on or before the next
168 filing date and shall be denied tax reduction under this section for the
169 assessment year and any subsequent year or until such homeowner
170 has reapplied and again qualified for benefits under this section. Any
171 such person who fails to so notify the tax assessor of his
172 disqualification shall refund all amounts of tax reduction improperly
173 taken and be fined not more than five hundred dollars.

174 ~~[(f)]~~ (g) Any homeowner, believing such homeowner is entitled to
175 tax reduction benefits under this section for any assessment year, shall
176 make application as required in subsection ~~[(e)]~~ (f) of this section, to
177 the assessor of the municipality in which the homeowner resides, for
178 such tax reduction at any time from February first to and including
179 May fifteenth of the year in which tax reduction is claimed. A
180 homeowner may make application to the secretary prior to August
181 fifteenth of the claim year for an extension of the application period.
182 The secretary may grant such extension in the case of extenuating
183 circumstance due to illness or incapacitation as evidenced by a
184 certificate signed by a physician or an advanced practice registered
185 nurse to that extent, or if the secretary determines there is good cause
186 for doing so. Such application for tax reduction benefits shall be
187 submitted on a form prescribed and furnished by the secretary to the

188 assessor. In making application the homeowner shall present to such
189 assessor, in substantiation of such homeowner's application, a copy of
190 such homeowner's federal income tax return, including a copy of the
191 Social Security statement of earnings for such homeowner, and that of
192 such homeowner's spouse, if filed separately, for such homeowner's
193 taxable year ending immediately prior to the submission of such
194 application, or if not required to file a return, such other evidence of
195 qualifying income in respect to such taxable year as may be required
196 by the assessor. When the assessor is satisfied that the applying
197 homeowner is entitled to tax reduction in accordance with this section,
198 such assessor shall issue a certificate of credit, in such form as the
199 secretary may prescribe and supply showing the amount of tax
200 reduction allowed. A duplicate of such certificate shall be delivered to
201 the applicant and the tax collector of the municipality and the assessor
202 shall keep the fourth copy of such certificate and a copy of the
203 application. Any homeowner who, for the purpose of obtaining a tax
204 reduction under this section, wilfully fails to disclose all matters
205 related thereto or with intent to defraud makes false statement shall
206 refund all property tax credits improperly taken and shall be fined not
207 more than five hundred dollars. Applications filed under this section
208 shall not be open for public inspection.

209 ~~[(g)]~~ (h) On or before July first, annually, each municipality shall
210 submit to the secretary, a claim for the tax reductions approved under
211 this section in relation to the assessment list of October first
212 immediately preceding. On or after December 1, 1987, any
213 municipality which neglects to transmit to the secretary the claim as
214 required by this section shall forfeit two hundred fifty dollars to the
215 state provided the secretary may waive such forfeiture in accordance
216 with procedures and standards established by regulations adopted in
217 accordance with chapter 54. Subject to procedures for review and
218 approval of such data pursuant to section 12-120b, said secretary shall,
219 on or before December fifteenth next following, certify to the
220 Comptroller the amount due each municipality as reimbursement for

221 loss of property tax revenue related to the tax reductions allowed
222 under this section. The Comptroller shall draw an order on the
223 Treasurer on or before the fifth business day following December
224 fifteenth and the Treasurer shall pay the amount due each
225 municipality not later than the thirty-first day of December. Any
226 claimant aggrieved by the results of the secretary's review shall have
227 the rights of appeal as set forth in section 12-120b. The amount of the
228 grant payable to each municipality in any year in accordance with this
229 section shall be reduced proportionately in the event that the total of
230 such grants in such year exceeds the amount appropriated for the
231 purposes of this section with respect to such year.

232 ~~[(h)]~~ (i) Any person who is the owner of a residential dwelling on
233 leased land, including any such person who is a sublessee under terms
234 of the lease agreement applicable to such land, shall be entitled to
235 claim tax relief under the provisions of this section, subject to all
236 requirements therein except as provided in this subdivision, with
237 respect to property taxes paid by such person on the assessed value of
238 such dwelling, provided (1) the dwelling is such person's principal
239 place of residence, (2) such lease or sublease requires that such person
240 as the lessee or sublessee, whichever is applicable, pay all property
241 taxes related to the dwelling and (3) such lease or sublease is recorded
242 in the land records of the town.

243 ~~[(i)]~~ (j) If any person with respect to whom a claim for tax reduction
244 in accordance with this section has been approved for any assessment
245 year transfers, assigns, grants or otherwise conveys on or after the first
246 day of October but prior to the first day of August in such assessment
247 year the interest in real property to which such claim for tax credit is
248 related, regardless of whether such transfer, assignment, grant or
249 conveyance is voluntary or involuntary, the amount of such tax credit
250 shall be a pro rata portion of the amount otherwise applicable in such
251 assessment year to be determined by a fraction the numerator of which
252 shall be the number of full months from the first day of October in
253 such assessment year to the date of such conveyance and the

254 denominator of which shall be twelve. If such conveyance occurs in the
255 month of October the grantor shall be disqualified for tax credit in
256 such assessment year. The grantee shall be required within a period
257 not exceeding ten days immediately following the date of such
258 conveyance to notify the assessor thereof, or in the absence of such
259 notice, upon determination by the assessor that such transfer,
260 assignment, grant or conveyance has occurred, the assessor shall (1)
261 determine the amount of tax reduction to which the grantor is entitled
262 for such assessment year with respect to the interest in real property
263 conveyed and notify the tax collector of the reduced amount of tax
264 reduction applicable to such interest and (2) notify the Secretary of the
265 Office of Policy and Management on or before the October first
266 immediately following the end of the assessment year in which such
267 conveyance occurs of the reduction in such tax reduction for purposes
268 of a corresponding adjustment in the amount of state payment to the
269 municipality next following as reimbursement for the revenue loss
270 related to such tax reductions. On or after December 1, 1987, any
271 municipality which neglects to transmit to the Secretary of the Office of
272 Policy and Management the claim as required by this section shall
273 forfeit two hundred fifty dollars to the state provided the secretary
274 may waive such forfeiture in accordance with procedures and
275 standards established by regulations adopted in accordance with
276 chapter 54. Upon receipt of such notice from the assessor, the tax
277 collector shall, if such notice is received after the tax due date in the
278 municipality, within ten days thereafter mail or hand a bill to the
279 grantee stating the additional amount of tax due as determined by the
280 assessor. Such tax shall be due and payable and collectible as other
281 property taxes and subject to the same liens and processes of
282 collection, provided such tax shall be due and payable in an initial or
283 single installment not sooner than thirty days after the date such bill is
284 mailed or handed to the grantee and in equal amounts in any
285 remaining, regular installments as the same are due and payable.

286 [(j)] (k) (1) Notwithstanding the intent in subsections (a) to [(i)] (j),

287 inclusive, of this section to provide for benefits in the form of property
288 tax reduction applicable to persons liable for payment of such property
289 tax and qualified in accordance with requirements related to age and
290 income as provided in subsection (b) of this section, a certain annual
291 benefit, determined in amount under the provisions of subsections (c)
292 [and (d)] to (e), inclusive, of this section but payable in a manner as
293 prescribed in this subsection, shall be provided with respect to any
294 person who (A) is qualified in accordance with said requirements
295 related to age and income as provided in subsection (b) of this section,
296 including provisions concerning such person's spouse, and (B) is a
297 resident of a dwelling unit within a multiple-dwelling complex
298 containing dwelling units for occupancy by certain elderly persons
299 under terms of a contract between such resident and the owner of such
300 complex, in accordance with which contract such resident occupies a
301 certain dwelling unit subject to the express provision that such
302 resident has no legal title, interest or leasehold estate in the real or
303 personal property of such complex, and under the terms of which
304 contract such resident agrees to pay the owner of the complex a fee, as
305 a condition precedent to occupancy and a monthly or other such
306 periodic fee thereafter as a condition of continued occupancy. In no
307 event shall any such resident be qualified for benefits payable in
308 accordance with this subsection if, as determined by the assessor in the
309 municipality in which such complex is situated, such resident's
310 contract with the owner of such complex, or occupancy by such
311 resident (i) confers upon such resident any ownership interest in the
312 dwelling unit occupied or in such complex, or (ii) establishes a contract
313 of lease of any type for the dwelling unit occupied by such resident.

314 (2) The amount of annual benefit payable in accordance with this
315 subsection to any such resident, qualified as provided in subdivision
316 (1) of this subsection, shall be determined in relation to an assumed
317 amount of property tax liability applicable to the assessed value for the
318 dwelling unit which such resident occupies, as determined by the
319 assessor in the municipality in which such complex is situated.

320 Annually, not later than the first day of June, the assessor in such
321 municipality, upon receipt of an application for such benefit submitted
322 in accordance with this subsection by any such resident, shall
323 determine, with respect to the assessment list in such municipality for
324 the assessment year commencing October first immediately preceding,
325 the portion of the assessed value of the entire complex, as included in
326 such assessment list, attributable to the dwelling unit occupied by such
327 resident. The assumed property tax liability for purposes of this
328 subsection shall be the product of such assessed value and the mill rate
329 in such municipality as determined for purposes of property tax
330 imposed on said assessment list for the assessment year commencing
331 October first immediately preceding. The amount of benefit to which
332 such resident shall be entitled for such assessment year shall be
333 equivalent to the amount of tax reduction for which such resident
334 would qualify, considering such assumed property tax liability to be
335 the actual property tax applicable to such resident's dwelling unit and
336 such resident as liable for the payment of such tax, in accordance with
337 the schedule of qualifying income and tax reduction as provided in
338 subsection (c) of this section, subject to provisions concerning
339 maximum allowable benefit for any assessment year under subsections
340 (c) [and (d)] to (e), inclusive, of this section. The amount of benefit as
341 determined for such resident in respect to any assessment year shall be
342 payable by the state as a grant to such resident equivalent to the
343 amount of property tax reduction to which such resident would be
344 entitled under subsections (a) to [(i)] (j), inclusive, of this section if such
345 resident were the owner of such dwelling unit and qualified for tax
346 reduction benefits under said subsections (a) to [(i)] (j), inclusive.

347 (3) Any such resident entitled to a grant as provided in subdivision
348 (2) of this subsection shall be required to submit an application for
349 such grant to the assessor in the municipality in which such resident
350 resides at any time from February first to and including the fifteenth
351 day of May in the year in which such grant is claimed, on a form
352 prescribed and furnished for such purpose by the Secretary of the

353 Office of Policy and Management. Any such resident submitting an
 354 application for such grant shall be required to present to the assessor,
 355 in substantiation of such application, a copy of such resident's federal
 356 income tax return, and if not required to file a federal income tax
 357 return, such other evidence of qualifying income, receipts for money
 358 received or cancelled checks, or copies thereof, and any other evidence
 359 the assessor may require. Not later than the first day of July in such
 360 year, the assessor shall submit to the Secretary of the Office of Policy
 361 and Management (A) a copy of the application prepared by such
 362 resident, together with such resident's federal income tax return, if
 363 required to file such a return, and any other information submitted in
 364 relation thereto, (B) determinations of the assessor concerning the
 365 assessed value of the dwelling unit in such complex occupied by such
 366 resident, and (C) the amount of such grant approved by the assessor.
 367 Said secretary, upon approving such grant, shall certify the amount
 368 thereof and not later than the fifteenth day of September immediately
 369 following submit approval for payment of such grant to the State
 370 Comptroller. Not later than five business days immediately following
 371 receipt of such approval for payment, the State Comptroller shall draw
 372 his or her order upon the State Treasurer and the Treasurer shall pay
 373 the amount of the grant to such resident not later than the first day of
 374 October immediately following.

375 ~~[(k)]~~ (l) If the Secretary of the Office of Policy and Management
 376 makes any adjustments to the grants for tax reductions or assumed
 377 amounts of property tax liability claimed under this section
 378 subsequent to the Comptroller the payment of said grants in any year,
 379 the amount of such adjustment shall be reflected in the next payment
 380 the Treasurer shall make to such municipality pursuant to this section.

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2015	12-170aa

Statement of Purpose:

To implement the Governor's budget recommendations.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]